



ANTI-FRAUD, THEFT, AND CORRUPTION POLICY

Approved via Governorhub

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Contents

Contents	2
1. Introduction	3
2. Fraud Strategy	3
3. Definitions	3
4. Culture	4
5. Prevention – Staff	4
6. Systems	5
7. Detection and Investigation	5
8. Appendix 1- Fraud Response Plan.....	

Introduction

Soke Education Trust sets itself high standards of honesty and probity. Although instances of fraud and theft are rare and Soke Education Trust is not aware of any corruption, this policy is seen as helpful confirmation of Soke Education Trust's stance on these matters.

Soke Education Trust does not condone fraud, theft or corruption irrespective of whether it is attempted internally by employees or School governors or Trust Directors or externally by members of the public. Soke Education Trust is committed to this Anti- Fraud, Theft and Corruption Policy that is designed to:

- Encourage prevention;
- Promote detection;
- Ensure protection; and
- Identify a clear approach for investigation.

This policy is based on a series of measures designed to prevent attempted fraudulent or corrupt acts. The measures include:

- Establishing an anti-fraud culture;
- Prevention;
- Detection and investigation;
- Training; and
- Whistleblowing.

Soke Education Trust has developed this policy with reference to the following guidance [Academy trust guide to reducing fraud - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/academy-trust-guide-to-reducing-fraud).

Fraud Strategy

All staff are required to report any suspected irregularities. Reporting is essential and:

- Ensures the consistent treatment of information regarding fraud, theft and corruption;
- Ensures compliance with legislation
- Facilitates proper investigation.

Depending upon the nature and anticipated extent of the allegations, the Trust will work with other agencies such as the police to ensure that all allegations and evidence are properly investigated and reported upon.

Soke Education Trust's Disciplinary Policy will be used where the outcome of the investigation indicates improper behaviour.

Definitions

Anti-Fraud is defined as the measures taken within the Trust to prevent, detect and investigate instances of fraud.

Fraud itself may be regarded as any deliberate act taken by one or more individuals to deceive or mislead with the object of misappropriating assets or business usually culminating in the distortion of Soke Education Trust's financial records or statements.

Theft is defined as being the dishonest appropriation of the Soke Education Trust's property with intent to deprive the Trust of it permanently.

Corruption is defined as being the use of bribery, fraud or the irregular alteration and/or distortion of records to conceal and/or misappropriate assets of Soke Education Trust.

Whistleblowing means action by an employee to disclose malpractice in the form of irregularity, wrong-doing or serious failures of standards at work.

Culture

Soke Education Trust is committed to ensuring that its culture will continue to be one of honesty and opposition to fraud, theft and corruption. There is an expectation and requirement that all individuals and organisations associated in whatever way with Soke Education Trust will act with integrity and that Soke Education Trust staff, directors and members, at all levels, will lead by example in these matters.

Soke Education Trust staff are positively encouraged to raise any concerns about fraud, theft and corruption where they are associated with the Trust's activities.

They can do this in the knowledge that such concerns will be treated in confidence and properly investigated.

The Trust Central Team shall be responsible for ensuring appropriate and proportionate investigations are undertaken. This will be executed in accordance with Annex 1.

The Trust Central Team are expected to deal swiftly and firmly with those who defraud or steal from Soke Education Trust or who are corrupt. Soke Education Trust should be considered as robust in dealing with financial irregularity and malpractice.

There is of course the need to ensure that any investigation process is not misused, therefore, any incidence of raising unfounded malicious allegations may be dealt with as a disciplinary matter. Any wrong doing or malpractice outside the scope of this policy should be reported to the CEO.

Prevention – Staff

Soke Education Trust recognise that a key preventative measure in the fight against fraud, theft and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff. Temporary staff are subject to the same recruitment policies as permanent staff.

Staff recruitment must be in accordance with approved fair selection policies and, in particular, Soke Education Trust will obtain written references before employment offers are made and undertake an online search.

Staff of Soke Education Trust are expected to adhere to established policies and to follow the Trust's guidelines and procedures together with, where applicable, their professional codes of conduct.

Soke Education Trust acknowledge that adequate training of staff is necessary for the prevention of misuse of funds. Any staff of Soke Education Trust who have access to Trust Finance or HR software packages, are involved in the collection/receipt of funds from external parties, involved in cash handling or are otherwise involved in the placing of orders for goods/services are required to undertake Anti-Fraud and bribery training as part of their induction process and every two years thereafter. It is the responsibility of the headteacher at each individual school to ensure appropriate training for staff.

Systems

Soke Education Trust has a Financial Regulations Policy in place that require staff, when dealing with the Trust's affairs, to act in accordance with best practice.

Detection, Investigation and Reporting

Please see Appendix 1

Links to other policies

Financial Regulations

Appendix A - Fraud Response Plan

Initiating action

Suspicion of fraud or irregularity may be captured through several means, including the following:

1. requirement on all staff to report fraud or irregularity
2. whistleblowing
3. planned audit work
4. operation of proper procedures.

All actual or suspected incidents of fraud should be reported without delay to the Chief Finance Officer, or Chief Operations Officer in the absence of the CFO. The CFO, or COO, should, within 24 hours, hold a meeting of the following project group to decide on the initial response:

- CEO
- COO
- CFO

The group will decide on the action to be taken. This will normally be an investigation. The group shall in the first instance approach the Internal Auditor to ascertain capacity to undertake the investigation. Where the Internal Auditor cannot deliver the work in a timely fashion the group will approach an independent, and suitable qualified, alternative to conduct the investigation.

Should the CFO be suspected of fraud or irregularity the matter should be reported without delay to the Chair of Audit, Finance and Risk Committee, who would then be responsible for convening the above meeting without the CFO.

Prevention of further loss

Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the

suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving The Trust's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the Trust, this explicitly includes any and all ICT devices. Any security passes and keys to premises, offices and furniture should be returned.

The Chief Finance Officer shall immediately arrange the cessation of access to any Financial systems. The Chief Operating Officer shall liaise with the appropriate IT Services provider to ensure any additional access to Trust data is ceased immediately.

Establishing and securing evidence

The Trust will follow disciplinary procedures against any member of staff who has committed fraud. The Trust will normally pursue the prosecution of any such individual.

Internal audit will:

- maintain familiarity with The Trust's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
- establish and maintain contact with the police, following approval from the CEO
- establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Notifying the ESFA

The circumstances in which the Trust must inform the ESFA about actual or suspected frauds are detailed in the Academies Trust Handbook. The CEO, as Accounting Officer, is responsible for informing the ESFA of any such incidents to allegations.mailbox@education.gov.uk

The Trust must notify the ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

The Trust's management is responsible for the prevention, detection and investigation of irregularities, including fraud and corruption. To discharge this responsibility, management should ensure that an adequate system of internal control is operated. It is not a primary function of internal audit to detect fraud. However, the work of the internal audit service, in reviewing the adequacy and effectiveness of the internal control system, should help management to prevent and detect fraud. The internal audit service should ensure that it has the right to review, appraise and report on the extent to which assets and interests are safeguarded from fraud. When Internal Auditors suspect fraud, or are carrying out a fraud investigation, it is important to safeguard evidence. They should assess the extent of complicity to minimise the risk of information being provided to those involved, and the risk of misleading information being obtained from them.

Internal Auditors should report serious weaknesses, significant fraud or irregularity, or major accounting breakdowns to the Accounting Officer without delay.

The Trust should ensure that the Internal Auditor is informed, as soon as possible, of all attempted, suspected or actual fraud or irregularity. The Internal Auditor should consider any implications in relation to the internal control system, and make recommendations to management, as appropriate, to strengthen the systems and controls.

Recovery of losses

Recovering losses is a major objective of any fraud investigation. The Internal Auditor, or other investigating party, shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.

Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The Trust would normally expect to recover costs in addition to losses.

References for employees disciplined or prosecuted for fraud

Any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Chief Executive Officer who shall prepare any answer to a request for a reference having regard to employment law.

Reporting to Trustees

All incidents of fraud, or suspected fraud, shall be reported without delay by the CEO to the chairs of both the Trustee Board and the Audit, Finance, People and Risk Committee.

Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Trustee Board and the Audit, Finance, People and Risk Committee. On completion of an investigation, a written report shall be submitted to the Audit, Finance, People and Risk Committee containing:

- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
- the measures taken to prevent a recurrence

- any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

Reporting lines

The project group shall provide a report to the chairs of the Trustee Board and the Chair of Audit, Finance, People and Risk on a monthly basis. The scope of the report shall include:

- quantification of losses
- progress with recovery action
- progress with disciplinary action
- progress with criminal action
- estimate of resources required to conclude the investigation
- actions taken to prevent and detect similar incidents.

Responsibility for investigation

All special investigations shall normally be led by the Internal Audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.

Some special investigations may require the use of technical expertise which internal audit does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.